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# SERBIA AND MONTENEGRO

PROGRAM NEWS BULLETIN

## USAID MISSION TO SERBIA AND MONTENEGRO



*The U.S. Agency for International Development (USAID) has launched a project to enhance water supply in three cities—the coastal communities of Budva and Kotor (in the photo), as well as the inland community of Cetinje.*



# WATER SUPPLY OVERHAUL IMPROVES TOURISM, CREATES NEW JOBS

**M**ontenegro is a country of exquisite natural and cultural resources. Every summer, more than 600,000 tourists flock to its shores and towns, doubling the small Republic's population and straining infrastructure. The political conflicts and economic upheaval of the 90s, as well as the influx of refugees from other regions of former Yugoslavia, have exacted a heavy toll on the country's water and wastewater systems, which have deteriorated over the years without resources for maintenance and upgrades.

The U.S. Agency for International Development (USAID) has launched a project to enhance water supply in three cities—the coastal communities of Budva and Kotor; as well as the inland community of Cetinje. The purpose of the project is to prevent wastewater overflows to the bathing beaches in Budva and to sensitive coastal and historically significant areas in Kotor; a UNESCO World Heritage Site. The improvements are critically needed to restore the infrastructure, provide substantially more water, safeguard public health, and support the tourism industry, a critical component of Montenegro's economy.

The project activities include pump stations improvements, design and installation of the new water pipelines, supply of electric generators, and upgrades of the existing systems. Another activity, located in the UNESCO-protected Kotor Bay, is the installation of the transmission system from Orahovac water source to the municipality of Kotor and its residents. It was started 20 years ago, but was never completed due to lack of funds. "Thanks to the donations from the American people, the local water supply company is now able to secure water supply through the municipality all the way to the Old Town of Kotor; where it is most needed," says Velimir Dragic, Technical Manager, in the local water supply company.

To make sure that the local communities have an opportunity to address concerns regarding the location of new facilities, as well as the construction works, USAID's

implementing partner, CDM International Services Group, works closely with citizens and political leaders to address ownership disputes and to reach agreements.

The project has built a close-knit team, involving local engineering companies, construction contractors, and equipment suppliers, and is working hand in hand with local communities, as well as local- and republic- level governments. Once the con-

struction work is completed, the project provides training for staff in the local companies on how to maintain and operate the equipment.

Through this project, USAID is looking to strengthen the local water utilities. With the better infrastructure, the local authorities and business leaders will be able to attract lenders and investors for further economic revitalization. ■



*Panoramic view of Budva Old Town*

# SERBIAN KNITWEAR MAKER DOUBLES REVENUES, CONTINUES GROWTH

For Serbian knitwear maker Ivkovic Trikotaza, the future is looking as bright as the company's innovative fashions. With help from the USAID Serbia Enterprise Development Project (SEDP), Ivkovic has sold its entire 2005 production, received financing to help cover expansion costs, and entered new markets. The company is now emerging as a major international brand, available in London, Rome, Tokyo, and New York.

Just a year ago, it was a different story. Faced with declining sales, Ivkovic was looking at possible layoffs. "The designs were perfect," said Nenad Popadic, SEDP apparel advisor. "We thought that with a few changes and the right exposure, they could easily compete with top international labels."

SEDP worked with senior management to streamline production, standardize sizing, and to promote Ivkovic designs at prominent international trade shows. To help cover costs of exhibiting, SEDP offered financial assistance through a matching grants program. And to make it easier for buyers to review the designs, SEDP featured Ivkovic prominently on the website portal of the Serbian apparel industry, [www.serbianapparel.com](http://www.serbianapparel.com). As a final meas-

ure, SEDP helped Ivkovic procure professional sales agents, an essential step to breaking into new markets.

Results were swift. At the recent "CPD" trade show in Düsseldorf, Germany, Ivkovic was a runaway success. Buyers loved the playful styling, hand finishing, and attention to detail. The company quickly sold out its entire annual production. That more than doubled revenues compared to the previous year. And the orders keep coming. More than 100 contracts have been signed as a result of the show.

General Director Milos Ivkovic is pleased with the company's new outlook: "The production lines are at absolute capacity. We're running all the machines in three shifts, 24 hours a day. From here it's all about expansion."

He will have to act quickly. Ivkovic's success has caught the attention of some of the world's leading fashion retailers. The family owned company from Bolec is now completing test orders for some of the biggest names in the luxury apparel business.

Ivkovic is one of more than 40 apparel companies that receive support from SEDP. The project works at the sector level and



Looking into the new textile design

firm level to help companies build on their advantages, add unique value to products, and get those products to the right customers. SEDP works with the Serbian businesses to help them reach new markets, increase exports, and create jobs. Other sectors that SEDP supports are fruit products, tourism, information and communications technology, furniture, and clinical research. ■

## SERBIAN JAM GETS A MAKEOVER



"Foodex" jam before and after branding assistance

With help from the USAID/Serbia Enterprise Development Project (SEDP), the Belgrade based Foodex Company is preparing an international launch for its new "Nature's Plan" brand of all-natural fruit preserves.

The premium line, which includes wild strawberry, cherry, red currant, and blueberry, has been specially developed for export. The updated packaging is a collaborative effort.

SEDP support enabled Foodex designers to work directly with international experts in branding and specialty food marketing. "We considered everything, from color psychology to selecting a shape that makes it easiest to get the product out of the jars. We even looked at the optics of the glass to make sure it refracted properly and lit the fruit inside with a flattering light," said Slobodan Jovanovic of Coba & Associates, creative director of the re-branding initiative. Nature's Plan has had a debut in New York in July 10. ■



# NEW METHODS EXTEND MARKETS FOR SERBIAN RASPBERRIES

Technicians at the Libertas fruit company, with help from the USAID / Serbia Enterprise Development Project (SEDP), are testing storage and shipping methods that could open new markets for Serbian red raspberries. The near zero pre-cooling method chills the berries to just above freezing, while preventing actual formation of ice

crystals. The method results in lower respiration rate, reduced moisture loss, and slower growth of organisms that can cause decay. To further reduce potential damage, the berries are packed in shallow containers that minimize surface contact and bruising.

According to Slobodan Zunic, Libertas's Deputy Manager of Foreign Trade, extending the shelf life of Willamette raspberries by just 72 hours could open large new markets throughout Europe. More than 90 percent of Serbia's raspberry crops are the Willamette variety. Since fresh raspberries command five times or more the price of frozen, the potential for increased revenues to Libertas is enormous.

"This type of pre-cooling isn't new, but it's new with this variety and with our harvesting and processing methods," comments Zunic. "Everything has to be adapted to

our local conditions. But the better we are at it, the fresher our product arrives to the consumer."

SEDP is providing Libertas, and other Serbian companies, with expert consultation in fresh produce handling, logistics, and marketing. The support is part of a broader strategy, developed with the Ministry of Agriculture, to transition from bulk sales to higher value fresh produce and retail products.

Libertas's fresh raspberries are now available at Metro stores and 57 Maxi Supermarkets throughout Serbia. The distinctive packaging was developed with a matching grant provided by SEDP, representing one of the first branded fresh agricultural products from Serbia. Libertas, with technical support from SEDP, is now preparing test shipments of fresh raspberries to brokers in the Netherlands. ■



SEDP Libertas pack

## NEWS IN BRIEF

### Youth Voice Promotes Democracy and Tolerance

Mercy Corps Kosovo, MINGOS (Mitrovica Initiative for NGO Support), and Initiatives, with financial support from USAID, the European Commission, and European Aid, has begun implementation of a project targeting rural youth - the Youth Voice project. The project will promote democracy by empowering vulnerable multi-ethnic youth between the ages of 15 and 19 in villages of southern Serbia and northern Kosovo. The project will utilize a participatory-development methodology to empower youth to identify problems in their communities and to initiate educational and advocacy projects to remedy them. As a result of the project, it is expected that participating youth from Serbia and Kosovo will improve their ability to analyze their local

situations and their role in society and become more aware of and more tolerant of other ethnicities. Through the production of analytical local newsletters and a cross-border youth magazine, participants will foster linkages among youth, government officials, professionals and other community actors, as well as promote cross-border linkages. The project will enhance youth participation in their local communities and will encourage them to become active members of society. The Youth Voice project will be implemented in Southern Serbia with support from the European Commission and USAID's partners, Mercy Corps Serbia and CHF International and in partnership with the Serbian Government.

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### New Leak Detection Equipment

Within the scope of the Good Local Government (GLG) project, water supply improvement is recognized as an essential area of technical assistance to municipalities and local water works. Recently, the GLG project provided six water works

(Podgorica, Bar, Herceg Novi, Danilovgrad, Pljevlja, Rozaje) with leak detection equipment which helps locate pipeline leakages based on sonar analysis. Subsequent repairs will reduce losses within the system, which are reportedly over 60% at some water works. Each water work receiving the leak detection equipment participated in a one-week training program. Goran Ignjatovic, GLG communal services advisor for water supply, explained that Podgorica water works will share its leak detection equipment with water works of neighboring municipalities, as defined in a Memorandum on Understanding signed with the municipalities of Kolasin and Cetinje. "This is modern equipment and it will provide accurate leak detection on pipelines up to 90% certainty. Each set contains a correlator, line tracer and geophone, which detects the exact location of leakage or malfunction on any kind of pipeline. Acting according to precise reports from the leak detection field crews, water works repair crews can perform timely repairs in exact locations, without disturbing entire neighborhoods," Ignjatovic explained.

# BELGRADE-CHICAGO SISTER CITY AGREEMENT

**T**he establishment of a Sister City relationship with a U.S. city with a strong Serbian Diaspora was a top priority when USAID first began working with the City of Belgrade in February 2005. Such a relationship forms a key part of the city's policy agenda to foster economic growth through the strengthening of international trade and recognizes the cultural significance of such ties.

Recognizing the importance of such an initiative, Belgrade Mayor Nenad Bogdanovic and Chicago Mayor Richard M. Daley, signed a Sister City Agreement between the two cities in early June. The signing ceremony took place in Chicago's Cultural Center before a large audience of the Serbian Diaspora community, as well as the local media and other interested citizens.

The agreement reflects the dream of many Serbs living in Chicago, as well as their rela-

tives and business associates in Serbia, to see Belgrade and Chicago (the home of one of the largest concentrations of Serbian Diaspora in the United States) become sister cities. Its signing follows four months of planning and negotiations between the cities of Belgrade and Chicago, facilitated by the USAID-funded Serbia Local Government Reform Program (SLGRP).

The signing of the Sister City agreement was also accompanied by a USAID-sponsored study tour by Belgrade's mayor; city manager; city architect, deputy secretary of finance, and the director of the department responsible for coordinating Belgrade's communal enterprises. The tour provided a chance for the first face-to-face contact between the two city leaders and offered an excellent opportunity for representatives from both cities to exchange their experiences, discuss common problems

and their solutions, and establish a foundation for future cooperation.

The tour also provided the Belgrade delegation with the chance to learn more about some of the most successful practices used in Chicago in the areas of city management, information technology, planning, finance, and citizen relations, which could potentially be replicated in Belgrade. The delegation was particularly interested in Chicago's 311 Call Center, a centralized, telephone-based complaint and task-routing system that eases the citizens' access to municipal services by creating a single point of contact with the city, and facilitates information gathering and performance monitoring by city managers. Belgrade was so inspired by this practice that it now intends to establish a new information/call center for itself and will work with SLGRP on its planning and implementation over the next few months. ■



*Mayor Bogdanovic and Mayor Richard M. Daley signing the Sister City Agreement*



# CULTURAL COOPERATION IN THE DAYTON TRIANGLE

The Igman Initiative, a network of 140 NGOs from Serbia and Montenegro (SaM), Croatia and Bosnia and Herzegovina (BiH), led by the Novi Sad-based Center for Regionalism and supported by USAID's implementing partner Freedom House, hosted the President of the State Union of Serbia and Montenegro, Svetozar Marovic, the President of the Republic of Croatia, Stjepan Mesic and the Chairman of the Presidency of the Republic of Bosnia and Herzegovina, Borislav Paravac at the 10th session of the Igman Initiative, the Cultural Cooperation in the Dayton Triangle. The Igman Initiative conference deals with different aspects of the normalization of relations between SaM, Croatia and BiH, including issues of refugees, and new areas of cooperation and development. The declaration states "... as all three countries have the identical long-term goal, namely membership in the European Union, the remaining issues related to the wars that broke up the Former Yugoslavia should be removed to further improve the normalization of relations. Cooperation between the states, state institutions and the non-governmental sector should be continued, in particular in the area of establishment and strengthening of the rule of law, reform of judiciary, modernization of public administration, confidence building, politics, economy and culture..."

The three presidents made a joint statement after the meeting, held in Belgrade this summer, calling for the unconditional extradition of all war crime suspects indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) and individualization of responsibility for the war crimes committed in former Yugoslavia.

They agreed that significant progress had been made since the end of the Balkan conflicts and also agreed that they share the same goal to join the European Union. The three leaders signed a declaration on enhancing mutual dialogue and cooperation, supporting refugee returns and liberalizing visa regimes. They emphasized that key issues, such as institutionalization and liberalization of visa regimes and border crossings, must be resolved through political dialogue.



*President Marovic, President Mesic and the Chairman Paravac shaking hands upon signing a joint statement on joint cooperation at the 10th Session of the Igman Initiative*

President Mesic congratulated the non-governmental sector for "...proving time and time again that they are much braver and have more foresight than those in power." He thanked NGOs "for having paved the way for the renewal of trust and mutual understanding and the normalization of relations in South East Europe, with a focus on former Yugoslavia."

President Marovic urgently called on the Government of Serbia to resolve the case of Bosnian Serb military leader Ratko Mladic. "With the arrival of Mladic in the ICTY, SaM can finally become a member of the Partnership for Peace by the end of 2005 and conclude discussions on stabilization and association with the EU."

The Igman Initiative was founded by the

Center for Regionalism from Novi Sad, supported by Freedom House with funds provided by USAID and in cooperation with the Forum for Democratic Alternatives from Sarajevo and the Civic Committee for Human Rights from Zagreb.

The Igman Initiative takes its name from a 1995 trek by a group of 38 intellectuals and anti-war activists from across the former Yugoslavia through Hungary and Croatia and across Igman Mountain to Sarajevo, which was under siege at the time. They attended the annual meeting of the Sarajevo-based Serb Civic Council in of support for the besieged citizens of Sarajevo. The Initiative now comprises more than 140 NGOs from SaM, BiH and Croatia working towards renewing cooperation and normalizing inter-state relations within the Dayton Triangle. ■

WITH USAID SUPPORT, LOCAL NGO TIMOK CLUB INITIATES IMPORTANT ECONOMIC PROJECT

# THE FIRST BUSINESS-INCUBATOR CENTER OPENED IN SERBIA

**E**ight small enterprises in the south-eastern Serbian municipality of Knjazevac are the first to have the opportunity to get the jump-start they need to become economically viable through an innovative development concept that has just been introduced to Serbia. Thanks to the initiative of the local NGO, Timok Club, USAID has joined efforts with the OSCE Mission in Serbia, the Canadian International Development Agency (CIDA) and the Canadian Executive Services Organization (CESO) to open the first Business Incubator Center (BIC) in Knjazevac on May 19.

"We have a number of educated and skillful young people, but not too many job opportunities. We wanted to do something to help entrepreneurs start and develop their business ideas," says Vladimir Jeremic, president of the Timok Club.

The BIC's mission is to provide small enterprises, all of which work within the manufacturing and production business arenas, with a comprehensive set of services such as business support services, clustering and networking opportunities, strategic guidance from industry experts, and operational space and assistance.

"We have been trying to access the capital to further develop our shoe production, but it is very difficult. Interest rates are too high for us, and the banking terms are very difficult to meet. This was a, once in a lifetime opportunity, for our family to grow our business", says Sladjana Videnovic, owner of the Mona Style company, a shoe manufacturer assisted by the Business



*A daughter of Sladjana Videnovic featuring shoes by "Mona Style"*

Incubator Center: A council comprised of representatives of the Knjazevac local government, the Association of Private Entrepreneurs, the National Employment Services, Eksimbank and Commercial Bank, IMT factory and the Timok Club have all participated in the design of criteria for competition, and followed up with a local competition for acceptance.

By forming a network of similar companies under one roof, enterprise managers enjoy benefits such as lower fixed costs for office space, free Internet access, lower-cost accounting, marketing and public relations services, six months of mentoring and consultations with the Regional Center for Development of Small and Medium Enterprises in Zajecar:

Local fabric manufacturer IMT provided a 1,200 square meter space within its factory. The facility has been configured to provide space for up to 11 small enterprises, a conference room, two smaller meeting rooms,



*Vladimir Jeremic, president of the Timok Club*

a workshop room and a small kitchen. Future development plan includes an additional 400 square meters and a parking lot.

"New business will significantly contribute to the economic recovery of our municipality. This project not only furthers local economy, but is also building the capacity of entrepreneurs to compete in the modern market economy," notes Gradimir Zikovic, President of Knjazevac municipality. ■

## NEWS IN BRIEF

### CCASA Upgrades Commercial Courts' IT System

U.S. Ambassador Michael C. Polt and the representatives of the Commercial Court Administration Strengthening Activity

(CCASA) have launched a new information technology (IT) system for the Serbian Commercial Courts. The new IT system represents a part of a series of improvements that will help the courts ensure a fair, consistent and timely application of commercial laws in accordance with international standards.

To reach this goal, CCASA has delivered computers, installed a new computer network linking all of the Commercial Courts, and provided one of the most comprehensive judicial research tools in Serbia to the

desks of each of the Court's 230 judges. Thanks to this initiative, all judges will now have access not only to the Internet, but also to a legal database, judicial education via multimedia, and legal documents and publications that will significantly expand the availability of important information and resources.

The system will also enhance communication among the judges, providing e-mail capability, enabling discussion forums on legal issues, and allowing the development of shared documents.



# JAHIRI FAMILY REBUILDS LIFE AND LOOKS TO THE FUTURE

**T**he Jahiris are a ten member Roma family who escaped the Kosovo conflict in 1999. They lived in Podujevo, on half a hectare of land, growing vegetables in a glass greenhouse. Djemailj worked as a carpenter. Those years now seem long ago. Looking for refuge in Krusevac, they settled in a ruined house on a small plot of land owned by Djemailj Jahiri's brother.

The nearest source of water is a stream two kilometers from the house. To bring water for the family, the greenhouse and livestock, Djemailj had to ferry it on the back of a horse making three trips a day.

Djemailj's first and foremost need was more frequent transportation of water to grow vegetables in the greenhouse. As the distance from the well made it technically impossible to use a pump, Djemailj applied for assistance in purchasing a 12 horsepower moto-cultivator. He uses the vehicle to pull a cart, on which he can place a tank, that can hold four times the amount his horse could carry.

His trip to the stream three times per day is now reduced to just once and the transportation of vegetables to a local market is faster and more efficient. Djemailj now has a new plan to develop his own little farm. He is exploring the possibility of digging a well on his land. It would help him expand vegetable production, and start raising cattle.

According to the 2002 Serbia census, there



*Djemailj Jahiri next to his new moto-cultivator*

are 1,746 Roma living in the municipality of Krusevac. Most Roma are not as fortunate as Djemailj. They live in illegal settlements on the edge of town, in barracks, makeshift shacks and hovels made of nylon and cardboard, with no basic sanitary conditions. If they're lucky, they find jobs as casual laborers, mostly just picking up scrap cardboard

and metal to feed their families. Through the Community Revitalization through the Democratic Action (CRDA) program USAID has supported 28 community development projects that involved the Roma community in the municipality of Krusevac. One of them included assistance to Djemailj Jahiri. ■

## NEWS IN BRIEF

### **Treasury Management System Start-up in Bar**

The municipality of Bar has officially inaugurated its new treasury management system. Bar is the first coastal community in Montenegro to fully implement this system and meet the requirements of the Law on Local Government Finance, with support

from the USAID Good Local Governance (GLG) project, implemented by The Urban Institute. Since December 2004, the municipality has been working hard to close all previous accounts and establish a consolidated account which records all municipal revenues and expenditures. The Municipal Assembly adopted an ordinance that creates the treasury department and prescribes its operating procedures to ensure full financial accountability and reporting. The GLG project supported the implementation of this project by providing computer equipment, developing and installing the treasury management system software,

and training the staff of the municipal treasury department. The new treasury management system helps local officials make better policy decisions by providing them with more frequent and detailed reporting on budget performance, enabling them to identify potential financial problems before they become too difficult to manage. Local officials now receive regular reports by department, function, and economic classification. By using a uniform procedure, municipalities will now be able to compare their performance with the performance of other municipalities and learn from each other's successes.



# TEMPLETON FREEDOM AWARD RECOGNIZES CEED'S WORK

**M**ontenegrin Center for Entrepreneurship and Economic Development (CEED) won a 2005 Templeton Freedom Award Grant for Institute Excellence in recognition of its achievements in advocating for reforms and its contribution to public understanding of democracy, economic freedom and rule of law. The Institute has also won second place in the Free Market Solutions to Poverty category for the implementation of the program called "Removing the Barriers to Doing Business in Montenegro".

The Award was launched by the Atlas Economic Research Foundation, a non-profit organization that works to develop and support intellectual entrepreneurs who

have the potential to create independent public policy institutes and related programs. The Foundation works with nearly 300 think tanks from 67 countries.

In cooperation with the Center for International Private Enterprise (CIPE), USAID's implementer in the area of private sector development, CEED undertook several important projects to promote and implement the ideas of a free market, entrepreneurship, and private ownership. In the last five years, CEED developed 450 business plans that resulted in opening 3,530 new jobs. Over 5,120 participants attended 230 different trainings organized by the Center. Through its program "Removing the Barriers to Doing Business",

CEED is polling over 500 entrepreneurs in Montenegro, to identify key impediments to business development. Based on the results of this bi-annual survey, the Center has been instigating public dialogue and policy initiatives to resolve identified problems.

CEED experts were involved in drafting eight business-related laws, including the Law on Enterprise. All laws were ratified by the Parliament and are being implemented. In addition, the Center organized various roundtables and conferences, and published a variety of brochures and outreach materials educating the Montenegrin public on key issues regarding reforms and business development. ■

## THE ASSOCIATION OF PARAPLEGICS OF MONTENEGRO

# EQUAL ACCESS LAW RAISES QUESTIONS

**A**ccording to the latest statistics from the Republic Employment Bureau, out of an estimated 65,000 disabled persons in Montenegro, only three have been employed in the state sector and nine in the private sector over the past 12 years. The Association of Paraplegics of Montenegro (APM) is diligently working to increase that number.

But Zoran Rajkovic, Executive Director of APM, and his colleagues from the NGO coalition of disabled persons, who have been working with USAID/ORT Montenegro Advocacy Program, are getting frustrated. "We finalized the draft Law on Vocational Training and Employment of the Disabled in September 2004," Zoran says. "And we have been waiting to see if it will enter into parliamentary procedures ever since."

There are many possible reasons why the law is stalled at this phase. While the proposed legislation does provide for special incentives for employers who hire disabled persons, it also imposes strict financial

penalties on companies that do not meet the specified quota of disabled employees. The proposed legislation has raised an interesting debate in Montenegro on the tricky business of balancing the (undisputed) need to protect disabled persons from unfair hiring practices without tipping too far into the "positive discrimination" area. The business community fears they would lose in efficiency if forced to hire and retain staff on a quota rather than on an individual qualification basis.

But Rajkovic believes that the disabled community deserves a bit of positive discrimination, after years of being actively discriminated against. "And for no good reason," he notes. "Disabled people are often more efficient than able-bodied employees, given that they have to work harder to prove themselves worthy of the job." The Association and its partners believe that not only would the law directly increase the number of disabled employed in the country, but it would ultimately benefit and enrich the business sector by introducing a much needed diversity. Skeptics, however,

question whether such a law would ever be enforced, even if it were adopted. An opinion poll commissioned by USAID/ORT in December 2004 to measure public opinion on rule of law in Montenegro showed that 64.5% of citizens think that their laws are enforced only selectively and unevenly.

Rajkovic remains optimistic that the law will ultimately go through, despite its critics. "Working with the Montenegro Advocacy Program these past years has taught us that the key to influencing public policy lies in patience and perseverance."

Through sustained campaign efforts, the Association has begun to mobilize support for the law from the authorities, the media, and even representatives of employers. "I am very encouraged by the results of the opinion poll we conducted prior to the campaign," Rajkovic said and concluded that, "It was demonstrated that we do not only have public support, but 94% of employers surveyed stated that they would employ a disabled person, if they received adequate state incentives." ■



# MUNICIPAL AUTHORITIES IN LOZNICA AWARD USAID'S PROGRAM

The Western Serbian municipality of Loznica has awarded USAID's Serbian Local Government Reform Program (SLGRP) and its implementer DAI Inc. with an award for the contribution to the development of the municipality and its community. The award was in recognition of USAID/DAI's role in the establishment of a Citizen Assistance and One-Stop Permitting Center (the Center) earlier this year.

Before the Mayor of Loznica presented the recognition plaque to DAI/SLGRP's representative, the following statement was read to the citizens attending the event: "As a special form of public appreciation for exceptional achievements and results contributing to fast, successful and humane development of the municipality of Loznica in various fields of interest for community life..."

USAID's SLGRP program commenced its work with the Municipality of Loznica in January 2002, and focused on the provision of training and technical assistance in the areas of financial management, citizen participation, public procurement, communal enterprise management, and information technology. Additionally, the program also played an instrumental role in the design (functional and structural) of the Center in Loznica. The establishment of the Center was preceded by the completion of the full course of Citizen Participation trainings offered by SLGRP, by the municipality, including training in improving community communications and customer services, citizen-city relations planning, and working with people with disabilities.

The work on the Center, along with the construction of the disabled access ramp that marks Loznica's commitment to truly

opening its door to all of its citizens, was SLGRP's capstone activity with the municipality. Its aim is not only to provide citizens with adequate and timely information, but to assist them in getting permits - everything from birth and marriage certificates, to construction permits- in one place, in a matter of minutes. Other municipalities where DAI has worked to establish similar centers have recorded significant impacts - for example, the time for obtaining construction permits was cut from an average of 30 days to an average of seven days; business permits - from seven to one to three days; the time for social services applications cut by half - from one month to two weeks. It is expected that the citizens of Loznica will realize similar benefits. Finally, by simplifying procedures and employing an open-space concept for the Center, the municipality greatly reduces the opportunity for corruption. ■

USAID SUPPORTS 400 MICRO BUSINESSES IN CENTRAL SERBIA, INCLUDING REFUGEES AND IDPS

## HELPING REFUGEE BUSINESS ENTER FORMAL SECTOR

DUO STIL is the name of a newly registered furniture production and repair company. It is co-owned by the Dabic and Tasic families, IDPs (Internally Displaced Persons) from Kosovo and Metohija, living in Kragujevac since June 1999. In order to support his family of seven, Marko began repairing furniture about a year and a half ago. Marko's partner is his brother-in-law, Aleksandar Tasic. Their families used to live in the same town in Kosovo, Urosevac. Today, they are venturing together in a furniture business, trying to secure a better living for their families.

"We worked hard but without USAID's support we wouldn't have dared to legalize our business and enter the formal business sector," says Marko.

After getting their business up and running and creating a solid client base, they turned

to USAID's Community Revitalization through Democratic Action" (CRDA) program for help to increase the scope of their business.

"The machines, equipment and raw materials helped us to speed up the process of furniture repair and increase the quality of our work. In addition to repairs, we have begun working on the production of our own branded products."

Dabic is one of 400 CRDA micro-grant recipients in Central Serbia that received assistance in the form of equipment and livestock to start small business in 2003.

After an initial year of successful business operations, his company was selected as a recipient in the second round of grants in 2004. In total, he received equipment in the value of \$5,000, including an industrial

sewing machine, manual and circular saws, 500 square meters of raw patterned material, over 100 square meters of wood and 100 kilograms of sponges.

Their successful business venture, coupled with the knowledge they gained through CRDA-sponsored economic trainings and workshops, enabled them to receive a 1,200 loan for business development from another USAID implementing partner, Opportunity International Stedionica. They used the loan to expand the working space.

Thanks to the assistance, "DUO STIL" has managed to close a business deal with clients in three Central Serbian cities. Due to the increase in the workload, Marko and Aleksandar are now considering hiring two new employees. According to them, "this is just the beginning". ■



# EXPERIENCE AND ENTHUSIASM JOINED IN SPORT PROMOTION

**T**his was the first time we worked with professional American football coaches. Now we see that our playing has been at the amateur level. We used to design our trainings based on data from the Internet and watching games on television. I'm sure what we have learned during these weeks will be seen in our play in the future, says Vladimir Lazic, a member of Kragujevac's American Football team the Wild Boars.

Through the USAID-funded Community Revitalization through Democratic Action (CRDA) program, Larry Kentera and Eugene Felker, coaches from the United States, spent three weeks in Serbia as volunteers. Prior to arrival to Serbia, knowing that Serbian clubs did not have the necessary equipment, Kentera and Felker had gathered valuable donations in equipment from American universities. Thanks to them, Serbian football players have received hel-



*Serbian football clubs are playing safer with equipment provided by U.S. coaches*



*Player of the Serbian football club from Kragujevac*

mets, cleats, jerseys, shoulder pads, pants, dummies and other equipment.

"Our games are now much safer. We used to play without shoulder pads, without helmets. Injuries were pretty frequent. We were most frightened of head injuries. Many used tell us to give it up, because American football is an aggressive game. But our desire for success and promotion of this sport was stronger than all fears," emphasizes Lazic. ■

## NEW OFFICER-IN-CHARGE IN MONTENEGRO

**J**oseph Taggart assumed his new position as Officer-in-Charge (OIC) of the United States Agency for International Development's (USAID) office in Montenegro.

He previously served the USAID Mission to the Caucasus as a Senior Democracy and Governance Officer, where he con-

tributed to the development of democracy and governance capacities in Georgia and to the design and development of the Caucasus Mission Strategy.

Joe Taggart has also worked with the United States Department of Agriculture and the National Democratic Institute for International Affairs.

In Montenegro, he will be in charge of overseeing the implementation of all projects and programs funded by USAID. Through its programs and projects, USAID continues to support Montenegro's transition to an open society of ethnic diversity, rule-of-law, democratic governance, a market economy, peace and stability and integration into Euro-Atlantic institutions. ■



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